

INTER-ISLAND STRIKE

EVENT OF THE WEEK

Stock Exchange Shows Heavy Decline for the Past Six Days

Overshadowing every other business topic, not excepting the sugar tariff, the strike of masters and mates of the inter-island fleet this week was a sensational event—not in incidents but in its supreme importance to the commercial and social interests of the Territory. It showed how dependent the islands are for homogeneity of interests upon efficient steamer companies between those other than Oahu with Honolulu. Only for the incidental availability of a trans-Pacific steamer that makes Hilo a port of call, there would have been no passenger and freight traffic out of Honolulu for that port since last week. One or two other steamers were available for mails and had an agreement not been reached on the dispute—as is reported was done last night—a special agreement that would have provided for mail conveyance pending a settlement might have been made. Yet, leaving the matter of mails out of the question, the stoppage of passenger and freight carriage for any length of time upsets the whole fabric of inter-island business and social life of the islands. Supplies of the necessities of life to many people are shortened and would very soon be absolutely wanting, causing a great amount of real distress, while large numbers of people are marooned while the embargo lasts away from their homes and, in some cases, unprovided in pocket for such a situation.

Conditions that make such a state of affairs in inter-island relations possible demand a remedy. It is something that might occur at any time, for not only is the running of the steamers dependent on the navigating officers, but the motive power crews can tie up the vessels to enforce claims on the company. Legislation is required which will ensure, on the one hand, that the public shall not be sacrificed to disputes between the company and its servants, and, on the other, that any grievances of the servants shall be promptly and equitably adjudicated either by some public tribunal or by a mode of arbitration established by law. It has been suggested, during the trouble, that the sole alternative, however much the community and the steamship interests may shrink at the thought, would be government ownership, or at least control, of inter-island communications with its working services under bonds to stand to duty in all circumstances. In this connection it is appropriate to say that the masters and mates, in the present instance, are entitled to credit for having postponed their coup until the sugar carrying season had about expired. A strike in that time would have been liable to involve millions of loss to the community.

Maunaloa Ranch Leased.

S. M. Damon, carrying on the business of a cattle rancher under the name or style of Maunaloa Ranch Co., has leased from the trustees of the estate of Bernice Pauahi Bishop the 111 of Maunaloa, containing about 6900 acres, for ten years from October 1, 1912, at an annual rental of \$2675. From the lease are excepted kuleanas not belonging to the lessors, a fish pond and the sea fishery rights.

Sugar Refining Profits.

One of the most interesting facts revealed by the statistics presented by Secretary W. H. Hannam, of both the Western and the Sprockels sugar refining companies, in the trust investigation in San Francisco, is that while the Western Sugar Refining company had declared \$25,900,000 in dividends between 1891 and 1911, this is only a return of 16.667 per cent per annum on the investment. No dividends were paid in the years 1892, 1896, 1897, 1901, 1902, 1905, 1906, 1907, 1910 and 1911. This was occasioned by the necessity for the use of large amounts of capital necessary for the payment for raw material which the company was compelled to carry. During these years the surplus was used in the business.

Sugar Closed Out.

Residents of Hilo, P. I., protested against the action of the Bank of the Philippine Islands in compelling them to sell their sugar at a lower price than they considered it worth by calling in loans on the commodity. John S. Hord, president of the bank, in an interview said in part:

"It is not a question of recalling loans. It was a question of selling sugar. The bank of the Philippines had the first opportunity of the season a few days ago to unload some of the sugar it held for its clients at a fair price, and, as the selling season is getting well along, the bank believed that it would be speculation to refuse to sell, as the price offered would pay off the amount of the loan and the charges and leave a fair margin of profit for the owners. The bank believed it the part of conservatism to sell at least a part of the sugar at the price offered, and was able to persuade its clients that to refuse the offer was to incur speculation."

The sugar was sold at 6.62 pesos per picul for first grade. Asked regarding the future of Philippine sugar and the probable price this year, Mr. Hord said: "Well, there have been a lot of gloomy people on the sugar situation but I have never joined that band, for when you recollect that the world's supply of sugar is from a million and a quarter to a million and a half tons short this year, it seems to me that there is not great need or cause for anxiety. Some sugar sold for 9.50 pesos per picul last year but the average price was 7.50 pesos to 8 pesos. I think sugar will reach those prices again this year without any trouble and maybe go somewhat higher."

Notes.

Owners of the British steamer Yuen-

sang were fined 500 pesos at Manila for carrying unmanifested cargo. Two hundred tins of opium were found in the ship, packed in tins labeled loaf sugar.

Henry Clews, in his latest special letter, says: "Prices of nearly all commodities are high and continue to show a rising tendency. This stimulates social and political disquiet. Some theorists hold that the large increase in gold production is responsible. This influence, however, is much exaggerated. A far more important element is the derangement between supply and demand of commodities. In nearly all parts of the world the demand for various products has increased faster than supply. Modern methods of business have enabled producers to combine and control production and prices more effectively than ever before. Trades unions have enabled labor to do likewise, and shorter hours and higher wages have materially added to high prices and the increased cost of living. The constant drift of population from the farm to the city the world over has also been an important factor."

Eight new cotton spinning and weaving companies have lately been started in Japan, having an aggregate of \$6,280,000 capital, and of 135,000 spindles. There were 32 companies producing cotton yarn in Japan the first of this year.

A new occupation for women—that of aid in laboratories and scientific institutes—has been opened to women in Germany, and in order to fit candidates a special one-year course has been added to the Municipal School for Women of Jena.

A line of steamers to be known as the Crown Line, to carry freight only and burning oil fuel, is being projected by a San Francisco firm for the trade between western American ports and Australasia. Already one large cargo boat using oil fuel is in the service, the fuel representing an estimated saving of \$1,750 and \$2,000 for each trip.

A steamer of 13,500 tons for the Union Steamship Co. of New Zealand, will be ready on the Clyde near the end of the year. It will be used in the Canadian-Australian service, and will be equipped for oil burning.

MEXICAN TOMATOES IN UNITED STATES.

During the shipping season which ended about June 15, 1912, 257 carloads of fresh tomatoes, having a net weight of 5,860,232 pounds, were exported from Mexico through the port of Nogales. The exportation showed considerable increase over the exportation of last year, which amounted to 196 carloads, having a net weight of 4,289,618 pounds.

While passing out at this port, these tomatoes were not raised in this consular district, but were raised in the vicinity of Los Mochis, in northern Chihuahua, and were all exported to the United States in order to supply the demand for early tomatoes in the Northern markets. The tomato crop from the West Coast of Mexico began to move through this port as early as December 15, and during the season the shipments went principally to New York, Chicago, Philadelphia, Kansas City, Seattle, Denver, Los Angeles, San Francisco, Salt Lake City, Portland, Ore., Houston, Tex., Omaha, Memphis, Spokane, Little Rock, El Paso, and St. Louis.

While some (particularly those shipped to Philadelphia) were exported in the usual crates containing six baskets, most of the tomatoes passing through this port were exported in lug boxes, which are about five inches deep, two feet square and without partitions and contain an average of about 26 pounds net.

AIR CUSHIONS FOR AUTOMOBILES

The air-cushion automobile invented by Josef Hofmann, the pianist, and constructed at the Saurer machine works in the consular district of St. Gall, Switzerland, promises to bring about a revolution in automobile construction. In place of the usual steel springs it has four brass cylinders for compressed air resting on the axles under the four corners of the automobile body, and these, by means of pistons and soft leather diaphragms, greatly reduce the swaying and jolting.

It is claimed for the invention that it is adaptable to all kinds of roads, regardless of speed or weight of machine; that the air cushions work instantaneously with softness and ease of movement; that there is an entire absence of vibration, as no metal springs intervene between the axle and the car body; that there is almost perfect balance in rounding curves; and that there is as nearly perfect working safety as can be secured. The machine has been undergoing severe tests for several months, having already run more than 4300 miles over unfavorable roads, and is said to have given great satisfaction. Within the past few days it has made a speed of forty miles per hour over an unusually rough road with great ease of movement.—By Consul D. I. Murphy, St. Gall, Switzerland.

President Madero of Mexico is said to have representatives in Japan trying to negotiate a loan for \$50,000,000. A fire in automobile row in San Francisco destroyed thirty-eight machines, causing a property loss of over \$100,000.

SUGAR NEWS OF INTEREST FROM NEW YORK

Sugar news of unusual interest has been received during the past few days by the Waterhouse Trust Company from its New York correspondent, Dow, Jones & Co., whose bulletins are timely.

Among the news of local interest given in these bulletins the following are extracts:

Decline in Sugar Shares.

American Beet Sugar's decline of 3 1/2 points to 68 1/2 was attributed to the passage of the bill by the Senate Saturday reducing the duty on sugar, and the possibility that the same measure would receive the approval of the House.

Similar reasons were offered for the decline of 4 1/2 points in American Sugar common to 123 1/2. It was argued that both companies would be adversely affected by a reduction in the sugar tariff, though American sugar interests have claimed right along that their profit comes from the margin between the price of raw and refined, and that it would not be materially hurt by tariff reduction.

Cuban Crops.

Weather continues favorable for the crops in Cuba, with 11 centrals at work as compared with four last year at the time and two in 1910. New plantings are being made wherever possible. While the rainfall has been light in the Hawaiian Islands, the weather as a whole has been considerably more favorable for the crops. Porto Rican crops are progressing satisfactorily under fair weather.

Maine has continued to fall frequently in Louisiana, interfering with field work and also preventing cultivators from making necessary plantings.

Stocks in the United States and Cuba together are 507,269 tons against 543,999 tons last week and 346,517 tons last year, an increase of 160,752 tons from last year. Stock in Europe is 1,265,000 tons against 1,445,000 tons last year. Total visible supply of stocks in Europe and America are 1,772,269 tons as compared with 1,791,571 tons last year at the same date.

The Sugar Tariff.

In the sugar trade, it is thought the proposed tariff measure reducing the duty on sugar 30 cents a hundred and abolishing the Dutch color standard should be considered somewhat favorable for the best interests and slightly bearish for the refiners. This is because, while there will still be a tax sufficient to protect domestic industry, the abolition of the Dutch color standard will let in many yellow sugars, which it is thought will be bought by confectioners, canners, etc., without being put through any further refining processes. The refiners may thus lose a portion of their business, which, while not as large as that in the high-grade white refined product, is still of importance. One of the strongest points in favor of the cane refiners is that the American public has had its taste educated to an extent where it is satisfied only with the present white sugars.

Not to Compete With American Sugar.

Horace Havemeyer says the formation of Welch, Havemeyer & Falschild, Inc., has no special significance and that it has merely been organized to operate cane sugar plantations in the Philippines and in Hawaii. The firm's charter is rather broad, but there is no plan under way either to enter the refining business or to combine with Arbuckle Bros.

The H. O. Havemeyer estate owns important holdings in both the Cuban-American and Cape Cruz sugar companies.

OIL-BURNING LOCOMOTIVES IN CANADA.

The first week in July a locomotive using oil as fuel hauled the regular passenger train on the run between Wellington and Alberni, the extension of the island division of the Canadian Pacific Railway, formerly known as the Esquimalt & Nanaimo railway. The experiment was entirely successful, the run of forty miles and return being made on time, the new fuel working very satisfactorily. As a result, H. E. Beasley, the manager of the road, states that as fast as the same can be done all the locomotives on the entire line of the island division, consisting of 118 miles, will be equipped as oil-burners and the use of coal for fuel discontinued. The trains between Wellington and Alberni are now hauled today by oil-burning engines.

Several locomotives on the mountain section of the main line of the Canadian Pacific railway are also being equipped as oil burners, but the engines on the island division are the first to make regular runs so equipped.

The management claim that while so far not much expense is eliminated, the comfort of passengers is no longer being harassed by smoke, and the danger from timber fires will be largely removed. Millions of feet of timber have every year been destroyed by fires originating along the railway line, and the company has been compelled in the past to maintain a large staff of fire-fighters in the timber areas to watch for fires which might otherwise be started from the locomotives.

It may be added that nearly all the steamers of the Canadian Pacific railway coast fleet have already been equipped as oil burners and are proving very satisfactory, both as to economy and power.—From Consul A. E. Smith, Victoria, B. C.

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STOCK EXCHANGE HAS POOR WEEK

There was a heavy falling off in business on the Honolulu Stock and Bond Exchange for the six days ended at noon yesterday as compared with the corresponding period last week. Of stocks there were sold 1861 shares for \$64,243.61, and of bonds a par value of \$29,000, against 3440 shares for \$121,103.87 and bonds amounting to \$23,000 the week before, or a decrease of \$56,860.25 in stocks and an increase of \$6000 in bonds, making a net decrease of \$50,860.25 for the six days. Notwithstanding the slump in volume of transactions prices have been well maintained, the only notable declines being in some gilt-edged stocks that seldom come out and that have a long way to fall, even to recede to par. There is but one cause for the dull market, and that is tariff uncertainty at Washington. Yet though this operates to keep buyers shy, it is not strong enough to induce holders to any extent to let go their investments.

Transactions for the six days in question are as follows:

Stocks.
Ewa Plantation Co., 50 shares for \$1543.75; high, 31; low, 30.75.
Haiku Sugar Co., 50 shares for \$10,875; price, 217.50.
Hawaiian Agricultural Co., 6 shares for \$1140; price, 190.
Hawaiian Commercial and Sugar Co., 80 shares for \$3520; price, 44.
Hawaiian Pineapple Co., 105 shares for \$4575; price, 43.
Hawaiian Sugar Co., 85 shares for \$3578.50; high, 42.40; low, 42.
Honolulu Brewing and Malting Co., 22 shares for \$653; high, 20.50; low, 20.25.
McBryde Sugar Co., 60 shares for \$435; price, 7.25.
Mutual Telephone Co., 65 shares for \$1560; price, 24.
Oahu Railway and Land Co., 10 shares for \$1400; price, 140.
Oahu Sugar Co., 44 shares for \$12,485.87 1-2; high, 28.25; low, 27.875.
Olau Sugar Co., 140 shares for \$1072.50; high, 7.75; low, 7.625.
Onomea Sugar Co., 220 shares for \$12,533.75; high, 57; low, 56.50.
Paia Plantation Co., 5 shares for \$1075; price, 215.
Pioneer Mill Co., 200 shares for \$6931.25; high, 34.75; low, 34.50.
Tanjong Olok Rubber Co., 25 shares for \$2925; price, 37.
Bonds.
Olau six per cent, \$26,000 at 97.50.
Hilo Extension six per cent, \$3000 at 96.75.

Many a doting father has paid hundreds of dollars to learn that his daughter couldn't sing.

A San Francisco woman who married a San Francisco "millionaire" left for a honeymoon in Southern Europe. The "groom's" money lasted as far as Oakland, where the wife learned he was a waiter—but without a job. She left for home five minutes later.



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